The Mental Health Prepaid Ambulatory Health Plan

As of July 1, 2007...

- ✓ Medicaid/Medikan beneficiaries will be served by a Managed Care Organization through a Prepaid Ambulatory Health Plan contract (PAHP).
- ✓ A new selective services waiver will become effective.
- ✓ Level V and VI facilities will no longer exist but providers may choose to operate as Psychiatric Residential Treatment Facilities (PRTF).

Who is the PAHP and How do we Contact Them?

SRS has contracted with ***Kansas Health Solutions (KHS)***, a Community Mental Health Centers-sponsored entity created to serve as the statewide managed care organization for mental health services. You can reach Kansas Health Solutions toll free at **1-866-547-0222**, and get additional information at www.kansashealthsolutions.com. Operational materials, provider supports, member information and other updates will be readily available at this site for all stakeholders.

PAHP Functions & Readiness

SRS, with the assistance of consultants with extensive managed care program compliance review experience, conducted a readiness review of Kansas Health Solutions in the last week of May. The purpose of the review was to assess their overall readiness and what issues would need primary attention during the month of June to complete the readiness work. Since that review, we have worked even more intensely with KHS to ensure that all providers – including the expanded network of independent practitioners – are prepared, that all claims payment processes are completely operational, and that members have access to needed services from the first day of operation.

KHS has made steady and increased progress toward readiness, and will be prepared on July 1st to meet its core duties. This includes:

- Recruit and train providers, and develop and oversee a comprehensive mental health provider network that assures access to care for all enrollees.
  - KHS and SRS have conducted over 50 outreach meetings to providers in preparation of the implementation of the PAHP program. This has included information meetings with CMHC leadership and staff; with independent practitioners who will be coming into the provider network; and to FQHC and Indian Service providers.
  - More structured training sessions have been provided by KHS to CMHC and new providers across the state, with 29 sessions completed; 13 more scheduled prior to July 1st; and ongoing sessions scheduled through December. Snapshot of these sessions:

Provider Training Attendance Numbers by Date/Location

Date	Location	City	# Attended
39224	Jayhawk	Topeka	27
39226	Bert Nash	Lawrence	45
39238	High Plains CMHC	Hays	31
39240	MHC of Emporia	Emporia	48
39244	Scott City	Scott City	20
39244	Pawnee	Manhattan	21
39245	Dodge City CSS	Dodge City	19
39246	COMCARE	Wichita	41
39246	COMCARE	Wichita	17
39247	COMCARE	Wichita	46

39247	Elizabeth Layton	Paola	17
39247	Johnson County MHC	Shawnee	21
39247	Community Services Building	Garden City	21
39247	Community Services Building	Garden City	20
			394

- KHS and SRS have jointly conducted three regional information sessions in June with CMHC leadership staff and non-CMHC providers, designed to reinforce key priorities for members during the transition period, and to discuss operational issues and service/prate changes that are key to the new PAHP system.
- All pending credentialing applications – including a "deemed status" for over 2,100 CMHC-based providers already credentialed – will have final review and approval by the Credentialing Committee at their June 26th meeting.

■ Authorizing payments for services
- The transition plan for the first month of operation is that all services requiring prior authorization will have automatic authorization to continue the service. (If a new service being initiated that requires authorization, it will be assessed as new and authorized as needed.)
- During and after the first month, all members will be included in a registration system (available online) for existing and new members, and prior authorizations will be processed for services on and after August 1st.

■ Processing and paying claims
- Both the electronic payment system and the paper claim payment system is operational, has been tested, and will be tested further over the next two weeks. Testing has included both CMHC providers and private practitioners. Minor issues were identified and addressed. Another formal "walk through" of the system will occur in the week prior to launch.
- Specific training regarding KHS's "Provider Connect" claim submission process has been provided by KHS in five sessions, for both CMHC and private providers, with additional sessions scheduled and to be added to ensure all demand is met.

■ Provider network development and management.
- All provider materials – provider manual, credentialing application, and related instructions – are available at KHS's website, and have also been mailed to all interested providers.
- KHS has conducted aggressive outreach to both existing and potential new providers in order to ensure a complete network is ready for operation on July 1st. This has included over 1800 letters, emails and phone calls to all non-CMHC providers expressing an interest; getting application, credentialing and provider manual information into the hands of all potential providers; and now finalizing contracts with providers. KHS is on track to ensure that the "new" provider pool of approximately 600 potential contracting entities (individuals or groups) now expressing interest are able to join the network. As of June 15th, 309 new non-CMHC providers have completed the contracting process, with ongoing outreach to expand during the last two weeks of June as necessary to get all contracts completed.

■ Member services and customer relations activities.
- The member handbook has been finalized and printed in both English and Spanish, and mailed to all current Medicaid members, together with a welcoming cover letter, a forecast about provider directories to be done in early July, and a self identification tip sheet for

people who may be in need of services. In addition, all Medicaid members are receiving informational bulletins with both their June (sent late May) and July (to be sent late June) Medicaid cards, with contact information for the PAHP and PIHP.

- KHS and SRS have conducted over 50 outreach meetings to stakeholders, including consumers and advocacy groups, in preparation for the implementation of the PAHP program.
- Member orientation/information sessions have been conducted by KHS statewide, with 9 sessions completed (including at the statewide consumer Recovery Conference in Wichita on June 13); 3 more scheduled prior to July 1st; and ongoing sessions scheduled through December.

■ Conducting UM and QM functions statewide; managing and reporting data.

- The focus for the first month of implementation will be on daily reports of Key Management Activities designed to ensure that people get timely access to services, and provider claims get timely payment. This will include specific attention to member services, provider services, and claims processing issues – identifying any notable trends and ensuring resolution of any need that arises.

KHS has steadily increased its staffing readiness, and has these staff positions on board:

- ✓ Michael Goldberg, CEO;
- ✓ Natalie Meugniot, Director of Operations;
- ✓ Michele Johnson, Director Of Provider Network Management
- ✓ Steve Richards, CFO
- ✓ Lorna Clarke, Training Manager
- ✓ Tom Czajkowski, Ombudsman
- ✓ Vanessa Johnson, Trainer
- ✓ Kim Brown, Communications Specialist
- ✓ Anne Werring, Corporate Compliance Officer
- ✓ Sharon Barfield, Director of Quality Improvement
- ✓ Diane Denham, Administrative Assistant

In addition KHS has subcontractor staff that will be handling member services, call center and claims payment operations, and has the following staffing plan that will be utilized in this "call rolling" order for high volume times:

Member services staff (5 staff, all with prior member service experience)
⇘ Call center staff (5 staff, all with call center experience; supplemented by 5 available PRN staff)
⇘ Care management staff (5 staff and 2 supplemental management staff, experienced)
⇘ Claims staff (5 staff with claims and Medicare experience).
⇘ KHS staff will be available for additional "on the ground" assistance during launch.
⇘ 12 experienced CMHC staff will also be available during July for additional back-up, and will have call management training to assist with high volume times.

<u>Some Specifics About Psychiatric Residential Treatment Facility (PRTF) Services</u>

PRTFs are intended to provide active treatment in a structured therapeutic environment for children and youth with significant functional impairments resulting from an identified mental health diagnosis, substance abuse diagnosis, and/or a mental health diagnosis with a co-occurring disorder.

- A PRTF is treatment - it must be medically necessary.
- Youth receiving these services must be assessed by a Licensed Mental Health Practitioner (LMHP) or physician who is independent of the treating facility, and medical necessity must be certified by the CBST (Community Based Services Team).

In addition, the need for this level of care will be evidenced by:

- ✓ a substantial risk of harm to self or others, or a child who is so unable to care for his or her own physical health and safety as to create a danger to their life; &
- ✓ the services can reasonably be expected to improve the recipient's condition or prevent further regression so that the services will no longer be needed; &
- ✓ all other ambulatory care resources available in the community have been identified and if not accessed determined to not meet the immediate treatment needs of the youth.
    - o EMERGENCY admissions are allowed short-term, pending further assessment.

Implementation Updates:

- All PRTFs effective July 1st have been identified, and rates have been established as follows:

Facility Name	Former Facility Level	PRTF Per Diem
Kaw Valley	VI	285.65
Liberty Juvenile Services	VI	263.85
Marillac	VI	268.87
Prairie View	VI	252.76
Spofford	VI	270.99
St. Francis – Salina	VI	280.81
UM Youthville - Dodge City	VI	270.63
UM Youthville – Newton	VI	255.07
Florence Crittenton	V	225.95
King's Achievement Center	V	246.16
Lakemary Center	V	246.33
Niles Home for Children	V	264.63
Ozanam	V	235.30
Salvation Army	V	243.68
St. Francis – Ellsworth	V	283.52
TLC	V	257.06

- Training for PRTF screeners has been conducted, and PRTF liaisons are prepared to work with all PRTF facilities.
- Ongoing community and provider training is being conducted jointly by SRS and JJA to ensure that both systems are fully prepared for this transitions; 10 jointly held sessions will be completed before July 1st.
- PRTF provider meetings have been completed – all PRTFs are prepared for launching their programs. Post-implementation meetings are also scheduled to ensure smoothing transition, and to support ongoing collaboration between SRS and the PRTFs.
- Provider manual and related provider instructions have been provided to all PRTF facilities. All MMIS readiness for claims processing and payment has been accomplished.

The Substance Abuse Prepaid Inpatient Health Plan

As of July 1, 2007...

- ✓ Medicaid/SAPT block grant beneficiaries will be served by a Managed Care Organization through a Prepaid Inpatient Health Plan contract (PIHP).
- ✓ A new selective services waiver will become effective.

Who is the PIHP and How do we Contact Them?

SRS has contracted with ***ValueOptions of Kansas (VO),*** one of the nation's largest behavioral health care companies, serving over 24 million people across the country through publicly funded and commercial contracts with a wide variety of managed behavioral healthcare services. You can reach ValueOptions-Kansas and get additional information at http://www.valueoptions.com/kansas/. Operational materials, provider supports, member information and other updates will be readily available at this site for all stakeholders.

PIHP Functions & Readiness

SRS, with the assistance of consultants with extensive managed care program compliance review experience, conducted a readiness review of ValueOptions of Kansas in the last week of May. The purpose of the review was to assess their overall readiness and what issues would need primary attention during the month of June to complete the readiness work. Since that review, we have worked even more intensely with KHS to ensure that all providers – including the expanded network of independent practitioners – are prepared, that all claims payment processes are completely operational, and that members have access to needed services from the first day of operation.

VO has made steady and increased progress toward readiness, and will be prepared on July 1st to meet its core duties. This includes

- Provider and Member Manuals – The VO-Kansas Provider Supplemental Manual is complete and posted on the ValueOptions-KS web site. Providers have been notified of this posting. VO's member handbook has been finalized and printed in both English and Spanish, and mailed to all current Medicaid members, together with a welcoming cover letter, a forecast about provider directories to be done in early July, and a self identification tip sheet for people who may be in need of services.
- Provider Contracts/Agreements - Provider network continues to be built. Two-thirds of the entire network has submitted credentialing and application materials, with half of the network fully contracted and in the network. VO staff are engaging in an aggressive "full court press" to finalize provider network building by July 1st, and have located additional staff on the ground in Kansas starting June 4th, meeting with providers and helping them get credentialing applications and contracts completed. That extra staffing will be here however long needed to ensure the network is in place by 7/1/07.
- Weekly Implementation meetings - Full implementation team and for each section of implementation process continue. All activities are being completed timely, and specific attention has been given to transition issues.
- Payment to providers – The claims processing, and related testing, is on track and will be ready to receive and process claims July 1st.
- Provider Forums/Trainings Continue – the latest Provider Training Forum was held June 14th, with over 300 participants. Per our providers' request in the previous Web-cast training 5/24/07, VO has scheduled focused, follow-up "Mini-forums" to address claims and clinical process. These have been scheduled for 6/26/07 and 7/12/07.

Transition Values & Information Resource

SRS is working very hard – in active collaboration with the Kansas Health Policy Authority, the MMIS Fiscal Agent, both the PAHP and PIHP contractors, and other stakeholders – to ensure that every implementation readiness issue is identified, addressed, and prepared for the transition. The implementation meetings with KHS and VO have increased through the month of June, and will transition to daily "Key Management Activity" report and update work sessions starting July 1st, so that all issues can be quickly identified and addressed. SRS realizes these are major system changes and there will be some disruption. SRS will continue to make corrections throughout the summer so that:

- clients continue to get services;
- children have appropriate placement; and
- providers are supported to keep services in place.

SRS is committed to the success of these critical public health programs, and to ensuring that Kansans who need these services have ready and increasing access to them. We will work with our contractors, sister agencies, providers, and other stakeholders to quickly address any "transition bobbles" that occur. The first order of business will be ensuring customer access and provider support, including timely service payment.

During the initial implementation phase, SRS will sponsor – in collaboration with each contractor – facilitated conference calls with providers and other stakeholders to mutually assess implementation. Following each call, SRS will confer with the contractor to ensure that issues identified receive appropriate follow through.

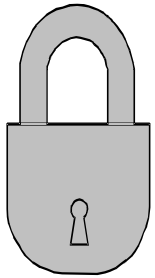
Thereafter, SRS will implement a comprehensive program accountability plan to support strong performance and customer outcomes for both mental health and substance abuse services. An overview of the SRS program accountability plan is attached.

For additional information about these issues, see: www.medicaidtraining.org. Extensive program information, FAQs, implementation plans, contact people and other details are available here.

Social & Rehabilitation Service Program Accountability Plan: Mental Health & Substance Abuse Waiver

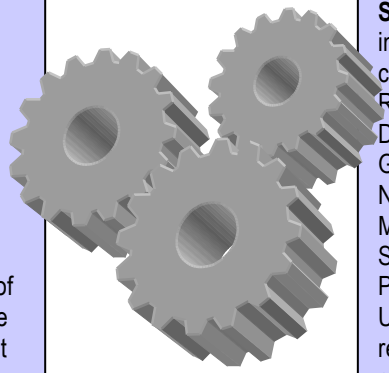
- **Oversight Committee** appointed by SRS Secretary and supported by SRS Health Care Policy Administration staff; strategically assesses SRS implementation of PAHP/PIHP programs; meets quarterly; reports to SRS Secretary, Legislature, CMS, and system stakeholders.
- **Management Operations Staff** provides financial management oversight for both programs; coordinates with KHPA and the MMIS Fiscal Agent; attends to provider reimbursement, claims and payment data; develops CMS fiscal reporting; provides administrative cost management; conducts monthly reviews and quarterly reconciliation of claims management, eligibility verification, and provider payments.
- **Health Care Policy Administration Staff** provides ongoing administrative oversight for both programs; attends to oversight committee support; facilitates internal auditing and external reviews by independent assessors; monitors risk assessment protocol and response to audit findings; liaisons to CMS for waiver reporting, renewal and corrective action issues.
- **SRS Office of Audit and Consulting** formally assesses the risks associated with both programs, as part of their enterprise risk assessment for SRS. This will incorporate objectives associated with each, associated risks and identified controls for the risks. Risk areas not mitigated by sufficient controls will be subject to formal audit by the Office of Audit. **SRS Office of Financial Management** provides review of MO functions.

Controlling documents include: CMS-approved waiver; PAHP and PIHP contracts; SRS Quality Improvement Strategy for PIHP; SRS State Monitoring Strategy for PAHP; CMS Independent Assessments Guidance to States



Control environment & activities; risk management

SRS Addiction And Prevention Services Staff – provides ongoing continuous quality improvement program oversight for PIHP contract and waiver requirements; conducts all state monitoring and evaluation activities including: PIHP Reporting Requirements; State Quality Committee; External Quality Review; Health Information Technology; Procedures for Race, Ethnicity, and Primary Language; National Performance Measures and Levels; Sanctions; Consumer Self-Report data; Data Analysis (non-claims); Enrollee Hotlines; Geographic mapping; Network Adequacy Assurance by Plan; Performance Improvement Projects; Performance Measures; Periodic Comparison of Number of Providers; Utilization Review. Utilizes ongoing performance review meetings with PIHP contractor, and reviews from Office of Audit and Consulting Services to support program staff oversight. Incorporates external review, oversight committee and state quality committee input. Reports key activities to CMS and KHPA.



SRS Mental Health Division Staff -- provides ongoing continuous quality improvement program oversight for PAHP contract and waiver requirements; conducts all state monitoring and evaluation activities including: PAHP Reporting Requirements; State Quality Committee; Consumer Self-Report Data; Data Analysis (non-claims); Enrollee Hotlines; focused Studies; Geographic Mapping; Measure any Disparities by Racial or Ethnic Groups; Network Adequacy Assurance by Plan; On-Site Review; performance Measures; Periodic Comparison of Number of Providers; Utilization Review; State Health Information Technology; Procedures for Race, Ethnicity, and Primary Language; National performance Measures and Levels; Sanctions. Utilizes ongoing performance review meetings with PAHP contractor, and reviews from Office of Audit and Consulting Services to support program staff oversight. Incorporates external review, oversight committee and state quality committee input. Reports key activities to CMS and KHPA.

Information & Communication; Monitoring

PIHP Contractor – perform consistent with terms of contract; cooperate with all state, CMS and external monitoring functions; respond to corrective action plans.

PAHP Contractor – perform consistent with terms of contract; cooperate with all state, CMS and external monitoring functions; respond to corrective action plans.

Consumers, Family Members, Providers, Advocates, and Other Stakeholders – through oversight committee, state quality committee, enrollee hotline, grievance and appeal, or any other process, feedback to purple level is an input into the CQI process.

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